

BEFORE

THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 94-408-C - ORDER NO. 94-1293✓

DECEMBER 22, 1994

IN RE: Application of Central Payphone Services,) ORDER
Inc. for a Certificate of Public Convenience) APPROVING
and Necessity to Provide Intrastate Resold) CERTIFICATE
Telecommunications Services.)

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Central Payphone Services, Inc. (Central or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services, including operator services, in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1993) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Central to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of Central's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. Central complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Protests or Petitions to Intervene were received by the Commission.

A hearing was commenced on December 15, 1994, at 11:00 a.m.,

in the Commission's Hearing Room. The Honorable Rudolph Mitchell, Chairman, presided. Central was represented by John F. Beach, Esquire. F. David Butler, General Counsel, represented the Commission Staff.

Barry E. Selvidge, Vice President/Regulatory Affairs and General Counsel for Central appeared and offered testimony in support of Central's Application. Selvidge stated that Central is incorporated in the State of Georgia.

Selvidge testified that Central proposes to offer direct dial and operator assisted long distance service using the resold transmission services of certificated carriers. Central intends to offer these services primarily to payphone providers, and customers in the hospitality industry, such as hotels and motels.

Selvidge also stated that Central competes with other carriers based on price, service quality, and responsiveness to customer needs. Selvidge also testified that Central has the managerial, technical and financial ability to provide the proposed telecommunications services in South Carolina.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Central is incorporated under the laws of the State of Georgia and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. Central operates as a non-facilities based reseller of

interexchange services and wishes to provide its services in South Carolina.

3. Central has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Central to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for Central for its resale services which includes only maximum rate levels for each tariff charge. For intrastate interLATA "0+" collect and calling card calls, Central may not impose a fixed operator service charge more than the intrastate charges then currently approved for AT&T Communications, and for the usage portion of the call, Central may not charge more than the intrastate rates charged by AT&T Communications at the time such call is completed. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. Central shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Central shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1993).

4. Central shall file its revised maximum tariff and an accompanying price list within thirty (30) days of the date of this Order. The revised tariff shall be consistent with the findings of this Order. Further, the tariff shall be filed with the Commission in a loose-leaf binder.

5. Central should be allowed to incorporate in its tariff a surcharge for operator-assisted and calling card calls not to exceed \$1.00 for calls originated at hotels and motels and at customer-owned pay telephones only if the property owners have not added a surcharge already. That is, the Company may not impose an additional surcharge to calls originating at hotels and motels and

customer-owned pay telephones if such a surcharge has already been imposed by the property owners. If such a charge is applied, however, it should be paid in its entirety to the customer by the Company. Further, if the surcharge is applied, the user should be notified of imposition of the surcharge. This notification should be included in the information pieces, such as tent cards or pay telephone stickers, identifying the Company as the operator service provider for pay telephones and guest phones.

6. Central is required to provide "tent" cards to hotels and motels for placement next to guest telephones and stickers to customer-owned pay telephones identifying it as the provider of operator service for intrastate interLATA distance calls. Central is required to brand all calls identifying itself as the carrier for the motel or hotel. The information pieces shall be consistent with the format approved by the Commission in Order No. 93-811, issued in Docket No. 92-557-C.

7. For the provision of operator services, Central shall comply with the Operator Service Provider Guidelines approved in Order No. 93-534, issued in Docket No. 93-026-C.

8. Central is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

9. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if they so desire.

10. Central shall resell the services of only those


interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Central changes underlying carriers, it shall notify the Commission in writing.

11. With regard to completion of any intraLATA toll calls, Central shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

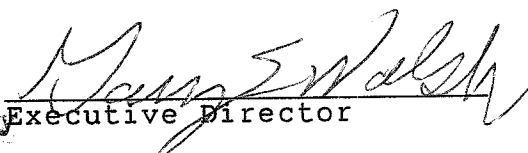
12. Central shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

13. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


CHAIRMAN

ATTEST:


Deputy Executive Director
(SEAL)

DOCKET NO. 94-408-C - ORDER NO. 94-1293
DECEMBER 22, 1994
ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR RESELLERS OF TELECOMMUNICATION SERVICE

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12 MONTHS
ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

*THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION WORK IN
PROGRESS, ACCUMULATED DEFERRED INCOME TAX, CONTRIBUTIONS IN AID OF
CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR ENDING
_____.

*THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS WELL
AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT (SEE #3
ABOVE).